

Strength ★ Growth ★ Opportunity



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Jim Nussle, *Chairman*

MARCH 2004

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Majority Caucus
U.S. House of Representatives
Jim Nussle, *Chairman*

COMMITTEE ON THE BUDGET

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FACT SHEET

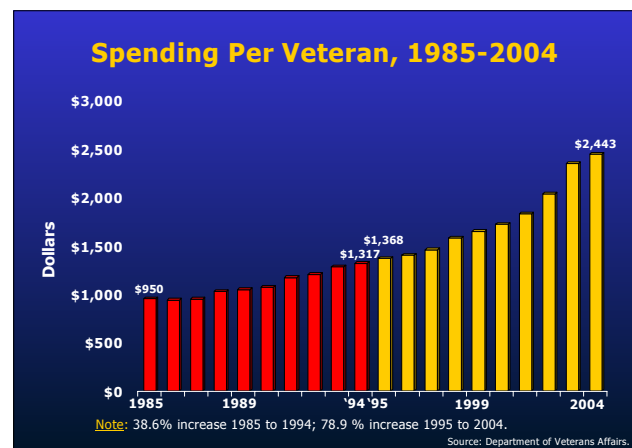
Veterans Budget FY 2005 Budget Resolution

FY 2005 Veterans Funding: This budget provides a *significant* increase to veterans spending, on top of the hefty increases of the past few years.

- ▶ Total veterans spending is \$70.8 billion – *an increase of 15.3 percent* from last year's total level of \$61.5 billion.
- ▶ Budget provides \$1.2 billion over the President's request for veterans – which could be used for veterans' medical care and prosthetic research – and assumes none of the fees or prescription drug co-payment increases that the President proposed.

Recent History of Veterans Funding: The increases in this budget carry on a commitment to our Nation's veterans that, over the 10- year period 1995-2004, has been reflected in veterans funding. Since 1995, when Republicans took control of Congress:

- ▶ Total budget authority for veterans programs increased by 58 percent.
- ▶ Spending for veterans medical care increased from \$16.2 billion to \$28.3 billion – a *75 percent* increase.
- ▶ The number of veterans receiving care increased from 2.5 million to 4.7 million – an *88 percent* increase.
- ▶ Monthly education benefit payment levels under the Montgomery GI Bill *more than doubled*, from \$405 to \$985.
- ▶ Total per-veteran spending increased from \$1,368 to \$2443 – a *79 percent* increase (see chart alongside).



House and Senate Versions of Veterans Budget: The House and Senate have reached an agreement on

veterans funding. The House-passed budget resolution total funding level for veterans was higher than the Senate, and more generous in veterans discretionary spending programs. The Senate is committed to raising spending to the House level.

- ▶ The House-passed budget resolution increased veterans spending by \$1.2 billion above the President's request.
- ▶ The Senate-passed budget increased veterans spending too – *but it also assumed \$1.2 billion in unspecified offsets* – and those offsets could come from higher co-payments for veterans medical care, or from means-testing veterans' programs, or from other spending cuts in veterans' programs. The Senate budget gave no policy guidance on this.
- ▶ As a result, the Senate's gross figure in Function 700 has the illusion of being higher than the House number; but in fact, the House resolution's net number is \$478 million higher than the Senate's (see tables below).

Veterans Discretionary Spending

(in billions of dollars)

	Senate Budget	House Budget
Committee-Reported Budget Resolution	30.529	31.007 ^a
<u>Floor Amendment</u>		
<i>Added Discretionary Spending</i>	<i>1.2</i>	<i>NA</i>
<i>Offsets</i>	<i>-1.2</i>	<i>NA</i>
Net Effect	0	NA
Net Resolution Figure	30.529	31.007^a

^a Includes homeland security spending included in the Senate resolution.



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Veterans Medical Care

Since Republicans took control of Congress in 1995, we have made great strides in improving benefits for our nation's 25 million veterans.

Some of the most important improvements include:

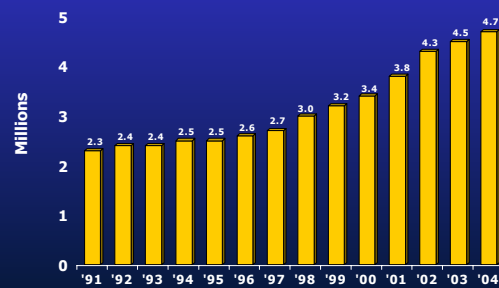
- ▶ The Republican Congress expanded eligibility for medical care in 1996 and 1999. As a result, the number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million today (see chart).
- ▶ Since 1995, total spending on veterans medical care has increased from \$16.2 billion to \$28.3 billion this year. This is an increase of 75.2 percent (see chart).

For FY 2005, this budget assumes \$31 billion in discretionary spending for veteran's benefits and services, with almost all of that funding to be spent on veterans medical care. This funding level is \$1.2 billion *above* the President's request, and it is the amount recommended by Veterans Affairs Secretary Principi.

Further, this budget does not assume the President's proposal to establish a new \$250 user fee for Priority Level 7 and 8 veterans, or to increase the prescription drug co-payments for Priority 7 and 8 veterans from \$7 to \$15.

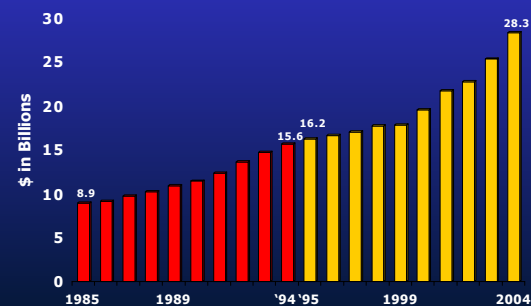
With this budget, we have *continued* our commitment to ensuring that those who have served their country with pride, valor, and dignity receive the best of America's appreciation.

Number Receiving Medical Care, 1991-2004



Source: Department of Veterans Affairs.

Total Budget Authority for Veterans Medical Care Before and After 1995



Note: 74.9% increase 1985 to 1994; 75.2% increase 1995 to 2004.

Source: OMB.



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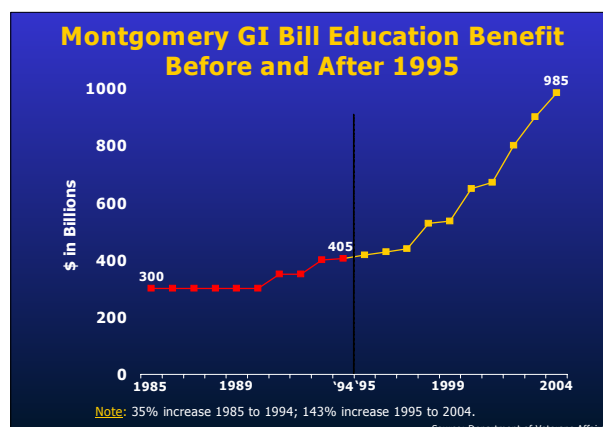
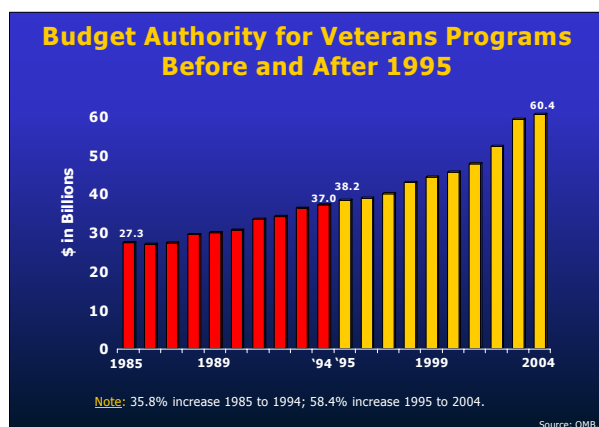
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Veterans Montgomery GI Bill Education Benefits

Since Republicans took control of Congress in 1995, we have fought to increase funding for the education benefits veterans have earned through their service to the Nation (see chart below).

Since 1995, total spending on veterans has increased from \$38 billion to \$60 billion. That's a 58 percent increase, compared with a 36 percent increase during the previous 10 years (see chart below). And, payments per veteran have risen by 79 percent.



One way that these increases have been utilized is in investments to veterans education benefits. Since 1995, monthly education benefit payment levels under the Montgomery GI Bill increased from \$405 to \$985 – an increase of 143 percent. This compares with only a 35 percent increase under the Democrats (see chart above).

This year, a veteran who served on active duty for 3 years or more will receive \$985 a month for 36 months.

These education benefits can be used for (1) courses in colleges and universities leading to associate, bachelor or graduate degrees, (2) courses leading to certificates or diplomas from business, technical or vocational schools, (3) apprenticeships, (4) correspondence courses, (5) flight training and other training.

This budget provides for the October 1, 2004 scheduled COLA increase in veterans education benefits.

With this budget, we have *continued* our commitment to ensuring that those who have served their country with pride, valor, and dignity receive the best of America's appreciation.



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

March 24, 2004

The Honorable Jim Nussle
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I write to strongly endorse House passage of H.Con. Res. 393, the FY 2005 Budget Resolution, as passed by your Committee.

The President's budgets have provided historic funding levels for America's veterans. Today, VA provides nearly a million more veterans with better, faster care than when the President took office. The overall discretionary budget has grown by 38 percent under the President's leadership, and funding for medical care alone has grown by more than 40 percent.

The total number of claims of all kinds waiting to be processed peaked at 600,000 and processing took on average seven and a half months. The President pledged to reduce the average processing time to 100 days and reduce the inventory of pending claims to 250,000. The Department is on track to meet these goals. In addition, by the summer of 2004 the list of veterans waiting more than six months for medical care, which peaked at 300,000, will be essentially eliminated.

When the President entered office, VA was providing care to slightly under 4 million veterans. Now, at a time when the overall population of veterans is declining, nearly 5 million patients are being treated. The President's Budget reflects his strong commitment to preserving the core mission of the Department of Veterans Affairs: to care for veterans with service connected disabilities, special needs, and lower incomes. The Budget Resolution also gives the VA the ability to provide quality health care to these deserving veterans.

I salute Congress for being a strong partner in this historic effort to provide needed care to our Nation's veterans. Under the House Committee-reported Budget Resolution, as under the President's Budget, veterans receiving care today will continue to receive high quality care tomorrow.

Therefore, I strongly urge Members of the House of Representatives to pass the Committee-reported Budget Resolution.

Sincerely yours,

A handwritten signature in cursive script, reading "Anthony J. Principi".

Anthony J. Principi